



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 23, 1994

TO: Minerals File

FROM: Tony Gallegos, Reclamation Engineer *aa*

RE: Meeting Documentation, Umetco Mine Operations: Pandora M/037/012, Hecla Shaft M/037/043, Redd Block Four M/037/046, Rim Columbus M/037/006, LaSal-Snowball M/037/026, San Juan County, Utah

Date of Meeting: June 21, 1994
Time: 1000 - 1140
Location: DOGM Offices, 3 Triad
Participants: Richard Van Horn, William Almas, Energy Fuels Nuclear, Inc.
(Energy Fuels); Wayne Hedberg, Tony Gallegos, Travis Jones, DOGM

Purpose of Meeting: To discuss the transfer of several Umetco mine operations to Energy Fuels Nuclear

Mr. Van Horn and Mr. Almas described the desired transfers of several Umetco mine operations to Energy Fuels. Energy Fuels wishes to transfer three mine operations in their entirety. These three operations are the Pandora Mine M/037/012, the Hecla Shaft M/037/043, and the Redd Block Four M/037/046. Messrs. Van Horn and Almas asked what the Division's requirements would be for the transfer of these operations.

Mr. Hedberg explained the transfer process for an entire operation would require completion of a transfer form and posting of a reclamation surety. These straight transfers would be fairly easy to deal with. It was noted that the surety amounts for these operations would need to be adjusted for escalation. It was also noted that the form of surety for the Hecla Shaft and Redd Block Four operation is a Board Contract. The surety for the Pandora is in the form of a surety bond.

Messrs. Van Horn and Almas informed the Division their proposed form of replacement surety would be either a surety bond or a certificate of deposit. They expressed some concern over the vague description of permit area/disturbed area for the Redd Block Four. The descriptions for this operation range from "section 33" to "S/2 SW/4, S/2 SE/4

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section 33" in T28S, R24E. The Division and Energy Fuels agreed to review the files for additional information regarding the permit description and disturbed area description for this operation.

The Division agreed to provide Mr. Almas with escalated surety amounts for these three operations sometime on the afternoon of June 23, 1994. Energy Fuels wishes to complete the transfer process for these operations in July. In order for the Division to present these matters at the July Board Hearing the Division will need to receive the transfer, surety and reclamation contract documents no later than July 5. The information packages for the July 27 Board Hearing must be prepared and submitted by the Division by July 11.

Energy Fuels wishes to operate portions of two other Umetco mining operations. The two operations are the Rim-Columbus Mine M/037/006, and the LaSal-Snowball Mine M/037/026. These two operations will be split between Umetco and Energy Fuels. Energy Fuels proposes to submit a new and separate notice of intention for their portion of these split operations. It was suggested that a site inspection be scheduled for these sites after Energy Fuels has draft notices prepared for these two operations.

jb
cc: William Almas, Energy Fuels
Energyfn.mem